A circular has been issued on 12.04.2005 to all TV channels asking them to strictly adhere to Rule 7(2)(viii) of the Advertising Code, which prohibits advertisement of tobacco/liquor.

The Press Council of India (PCI) is a statutory autonomous self-regulatory body set up under the Press Council Act, 1978 with twin object of "preserving the freedom of the press" and of "maintaining and improving the standards of newspapers and news agencies in India'. As per sub-section 2(c) of the Press Council Act, 1978; the Council is required to ensure on the part of the newspapers, news agencies and journalists, the maintenance of high standards of public taste and foster a due sense of both the rights and responsibilities or citizenship. Accordingly, PCI has "Norms of Journalistic Conduct" which, *inter alia*, state that "No advertisement shall be published which promotes directly or indirectly, production/sale or consumption of cigarettes, tobacco products, wine, alcohol, liquor and any other intoxicants".

The Cigarettes and other Tobacco Products (Prohibitions of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2004 prohibits advertisements of cigarettes or any other tobacco products. Rules framed there under have been amended *vide* notification dated 31.05.2005 to introduce a clear definition of indirect advertisement, which, *inter alia*, includes ban on advertisement of non-tobacco products bearing the same brand as of tobacco product, the use of particular colours, lay out and/or presentation associated with the particular tobacco product.

FDI in print media

†742. SHRI ABU ASMI AZMI: Will the Minster of INFORMATION AND BROADCASTING be pleased to state:

(a) whether foreign investment in print media has been liberalised by Government after relaxation of rules;

(b) if so, the details thereof;

(c) whether proprietors of foreign news-papers and magazines have already applied to Government for investment in print media and if so, the names of such applicants; and

†Original notice of the question was received in Hindi.

(d) to what extent newspapers and magazines would be affected after the entry of the foreign investors?

THE MINISTER OF INFORMATION AND BROADCASTING (SHRI S. JAIPAL REDDY) : (a) Yes, Sir. The Government has recently enlarged the investor category in the news and current affairs segment of the print media to include foreign direct investment by NRIs, PIOs and portfolio investments by recognized FIIs subject to the overall ceiling of 26 percent. It has also been decided to allow facsimile editions of foreign newspapers in India without access to Indian content or Indian advertisements.

(b) The detailed guidelines issued by this Ministry relating to the print media sector are given in the enclosed Statement (*See* below)

(c) Pursuant to the above mentioned guidelines issued by this Ministry, no such application has been received by the Government.

(d) It would be too early to gauge the impact of the decision at this stage.

Statement

Guidelines relating to print media

Ministry of Information & Broadcasting

Guidelines for

(i) Publication of Newspapers and Periodicals dealing with News and Current Affairs.

(ii) Publication of Facsimile Editions of Foreign Newspapers.

New Delhi,
Dated 13th July 2005.

PREAMBLE

In supersession of the previous guidelines issued by this Ministry *vide* Press Note dated 21st November, 2002 and in partial modification of the Press Note dated 5th July 2005, the Union Government have decided to allow, with immediate effect:

(i) Foreign Direct Investment (which includes foreign direct investments by NRIs, PIOs) and portfolio investments by recognized

FIIs, together up to a ceiling of 26% of paid up equity capital, in Indian entities publishing newspapers and periodicals dealing with news and current affairs. Such investment would be permissible by foreign entities having a good track record and financial standing, subject to certain conditions.

(ii) Facsimile editions, in whole or in part(s), of foreign newspapers, by Indian entities, with or without foreign investment, brought out by foreign companies owning the original newspaper, provided they get incorporated and registered under the Companies Act, 1956.

The following guidelines are hereby prescribed:

1. Application

(i) Nine copies of the prescribed application form, completed in, along with the requisite documents, shall be submitted to the Ministry of I&B.

(ii) Application fee of Rs. 5000/- in the form of pay order through demand draft made in favour of the Pay and Accounts Officer, Ministry of Information and Broadcasting, payable at New Delhi.

2. Title of the Publication

Title verification shall continue to be done by the Press Registrar as per existing procedure, including for facsimile editions.

3. Eligibility Criteria

A. Foreign Investment in Indian entities publishing newspapers and periodicals dealing with news and current affairs:

(i) Foreign Investment will be allowed only where the resultant entity (hereinafter called "New Entity") is a company registered with the Registrar of Companies under the provisions of the Companies Act, 1956.

(ii) Foreign Investment including FDI by foreign entities, NRIs, PIOs etc. and portfolio investments by recognized FIIs, will be allowed up to a maximum of 26% of paid-up equity of the New Entity.

(iii) Permission will be granted only in cases where equity held by the largest Indian shareholder is at least 51% of the paid up equity, excluding the equity held by Public Sector Banks and Public Financial Institutions as defined in Section 4A of the Companies Act, 1956, in the New Entity. The term largest Indian shareholder used in this clause will include any or a combination of the following:

(1) In the case of an individual shareholder,

a) The individual shareholder

b) A relative of the shareholder within the meaning of section 6 of the Companies Act, 1956

c) A company/group of companies in which the individual shareholder/HUF to which he belongs, has management and controlling interest

(2) In the case of an Indian company,

a) The Indian company

b) A group of Indian companies under the same management and ownership control.

Provided that in case of a combination of all or any of the entities mentioned in sub-clause (1) and (2) above, each of the parties shall have entered into a legally binding agreement to act as a single unit in managing the matters of the New Entity.

(iv) While calculating the 26% foreign investment in the equity of the New Entity, the foreign holding component, if any, in the equity of the Indian Shareholder companies of the New Entity will be duly reckoned on *pro rata* basis so as to arrive at th total foreign holding in the New Entity.

(v) At least 50% of the foreign direct investment will have to be inducted by issue of fresh equity. The balance, *viz.* upto 50% of the foreign direct investment, may be inducted through transfer of existing equity.

(vi) Permission would be conditional on at least 3/4th of the Directors on the Board of Directors of the New Entity and all key executives and editorial staff being resident Indians.

B. Facsimile Editions newspapers:

(i) Any Indian entity, with or without foreign investment, desirous of publishing a facsimile edition of a foreign newspaper, or any foreign company owning the original foreign newspaper will be permitted to publish the facsimile edition of its newspaper, in whole or in part(s), provided

(a) It is incorporated and registered as a company with the Registrar of Companies under the provisions of the companies Act, 1956.

(b) It has a commercial presence in India with its principal place of business in India.

(c) That at least 3/4th of the Directors on the Board of Directors of the New Entity and all key executives and editorial staff are resident Indians.

(ii) Any entity publishing a facsimile edition of a foreign newspaper in India shall be subject to al the relevant laws and guidelines applicable of Indian newspapers and their publishers.

4. Basic Conditions/Obligations

(i) Subject to the ceiling prescribed, it will be obligatory on the part of the all Entities to inform Ministry of Information & Broadcasting about any alteration in the foreign shareholding pattern as on 31st March of every year and within 15 days of the end of the financial year.

(ii) It will be obligatory on the part of the all entities to take prior permission from the Ministry of Information & Broadcasting before effecting any changes in the shareholding of the largest Indian shareholder indicated in clause 3A (iii) above.

(iii) All entities shall inform Ministry of Information & Broadcasting within 15 days of effecting any change in the composition of its Board of Directors or key executives and editorial staff. Such a

change would be subject to *post-facto* approval of the Ministry of Information & Broadcasting.

(iv) All entities shall obtain prior clearance of the Ministry of Information & Broadcasting of any foreigners/NRIs proposed to be employed/ engaged in the New Entity either as consultants (or in any other capacity) for more than 60 days in a year, or, as regular employees.

(v) Facsimile editions shall be permitted subject to the following conditions:

a) The original foreign newspaper, whose facsimile edition is proposed to be brought out in India, is being published with approval of the regulatory authority of the country of origin and is a standard publication in that country and is not specially designed for Indian readers.

b) The facsimile edition shall not carry any advertisements aimed at Indian readers in any form.

c) The facsimile edition shall not carry any locally generated content/India specific content, which is not simultaneously published in the original edition of foreign newspaper.

d) Prior permission from Ministry of I&B is obtained for publication of facsimile editions and the title got registered with the Registrar of Newspapers for India (RNI).

e) The publication shall clearly indicate that it is a facsimile edition, in whole or in part(s), and shall prominently carry the masthead, the editorial page and the place of publication of the original foreign newspaper.

5. **Processing of Applications**

(i) All new applications for foreign investments in Indian entities publishing newspapers and periodicals dealing with news and current affairs and proposals for publishing of facsimile editions of foreign newspapers, shall be processed and decided upon in the Ministry of Information & Broadcasting on the basis of inter-ministerial consultation with the Ministry of Home Affairs and other ministries, as may be required.

(ii) The applicant entity shall make full disclosure, at the time of application, of Shareholders' Agreements and Loan Agreements that are finalized or proposed to be entered into. Any subsequent chage in these shall be disclosed to the Ministry of Information & Broadcasting within fifteen days of such a change.

(iii) The applicant entity shall frame its Articles/Memorandum of Association to ensure compliance with the prescribed eligibility criteria.

(iv) All entities shall obtain prior clearance from the Ministry of Information & Broadcasting of all persons not being resident Indians who are proposed to be inducted in the Board of Directors of the New Entity.

(v) All applications for publishing facsimile editions shall clearly indicate whether the facsimile edition is to be published in whole or in part. In case only a part of the original foreign newspaper is proposed to be published, each page shall be treated as one part, and the exact page numbers of the original foreign newspaper to be published, shall be clearly indicated.

Guideiines for

(i) Publication of Indian Editions of Foreign Technical/Scientific/ Speciality Magazines/Journals/Periodicals; and

(ii) Foreign investment in Indian entities publishing Scientific/Technical/Speciality Magazines/Journals/Periodicals.

PREAMBLE

The Union Government has decided to allow:

(i) publication of Indian editions of foreign scientific, technical and speciality magazines/periodicals/journals; and

(ii) foreign investment upto 100% in Indian entities publishing scientific/technical and speciality magazines/periodicals/journals.

1. Application

(i) An application shall be made to the Ministry of Information & Broadcasting in the prescribed format to determine the nature of contents of the publication

(ii) Application fee of Rs. 5000/-(Rupees five thousand only) shall have to be deposited through a Demand Draft in favour of the Pay & Accounts Officers, Ministry of Information & Broadcasting, payable at New Delhi.

2. Processing

(i) The application shall be processed by the Ministry of I&B, after due inter-Ministerial consultations, to decide whether the proposed publication is covered under the category of scientific, technical or speciality magazine/periodical/journal. Representatives of the concerned Ministries/specialist bodies and language experts, as found necessary will be associated in this task. In appropriate cases, the Ministry of I and B will issue:

a) An approval, subject to compliance with the provisions of the Press and Registration of Books Act and Rules made there under for publication of the foreign journal; or

b) A No Objection Certificate (NOC) for foreign investment, a copy of which would be sent to RNI/SIA/RBI and the applicant.

(ii) Determination of category assigned to the publications(s) is liable for review by the Ministry of I&B if the contents of the publication(s) undergo change at a later date.

(iii) a) Incases where both FDI and FII investment is envisaged, the applicant may approach the FIPB/RBI for alearnace after obtaining the No Objection Certificate from the Ministry of I&B.

b) In cases involving only portfolio investment, the applicant may approach the Reserve Bank of India, for further clearance, if any, after obtaining the No Objection Certificate from the Ministry of I and B.

c) The Ministry of I and B will keep the Secretariat for Industrial Assistance and the Reserve Bank of Indian informed of the FDI

projected by the Company and the balance permissible foreign investment on the portfolio investment route, while communicating the No Objection.

3. Title of the Publication

Title verification shall continue to be done by the Press Registrar as per existing procedure.

4. Foreign Investment

(i) Total foreign investment upto 100% may be allowed. Guidelines of the Ministry of Finance on FDI and portfolio investment would apply.

(ii) All cases involving Foreign Investment shall be handled by the prescribed agencies, *viz.* FDI on the government approval route through the mechanism of the FIPB and portfolio investement by the RBI.

DTH decoder cards

743. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether it is a fact that DTH decoder cards have proved to be a boon to pornography lovers;

(b) whether it is also a fact that there are no provisions under any law which prevents sale of dedicated smart cards or DTH decoder cards; and

(c) if so, whether Government are amending the necessary Acts or enacting a new legislation to control this?

THE MINISTER OF INFORMATION AND BROADCASTING (SHRI S. JAIPAL REDDY): (a) The Government has not come across any empirical evidence to this effect.

(b) and (c) The information is being collected and will be laid on the Table of the House.